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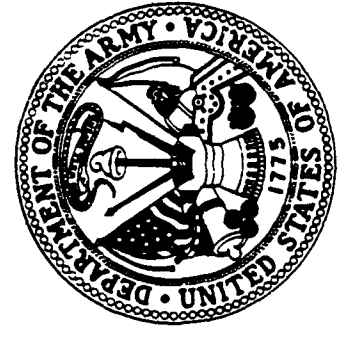
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DEPARTMENT OF THE ARMY

JUSTIFICATION OF ESTIMATES FOR FY 1991 BUDGET

SUBMITTED TO CONGRESS

JANUARY 1990



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ELECTE
MAR 07 1990
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MISSILE PROCUREMENT, ARMY

AIRCRAFT	MISSILES
WEAPONS AND TRACKED COMBAT VEHICLES	
AMMUNITION	OTHER

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DEPARTMENT OF THE ARMY
Office of the Assistant Secretary of the Army
(Financial Management)

DEPARTMENT OF THE ARMY
MISSILE PROCUREMENT, ARMY

JUSTIFICATION OF ESTIMATES FOR FISCAL YEAR 1991 BUDGET

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MISSILE PROCUREMENT, ARMY

Section 1

Budget Appendix Extract

Appropriation Language

Program and Financing Schedule

2-1

STATEMENT "A" per Bill Schultz
SAFM-BY-P
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APPROPRIATION LANGUAGE

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants including the land necessary therefor, for the foregoing purposes, and such land and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$2,623,500,000 in fiscal year 1991 to remain available for obligation until September 30, 1993.

Missile Procurement, Army
Program and Financing (in Thousands of dollars) SUMMARY

Identification code	21-2032-0-1-051	Budget plan (amounts for PROCUREMENT actions programmed)				Obligations		
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.	
Program by activities:								
Direct program:								
00.0101	Other missiles	2,170,363	2,158,064	2,463,609	2,054,989	2,184,245	2,415,971	
00.0201	Modification of missiles	169,934	140,341	135,374	173,060	174,328	141,242	
00.0301	Spares and repair parts	211,152	176,315		199,027	160,320	35,923	
00.0401	Support equipment and facilities	28,059	28,992	24,517	27,950	37,500	24,857	
00.9101	Total direct program	2,579,508	2,503,712	2,623,500	2,455,026	2,556,391	2,617,993	
01.0101	Reimbursable program	414,494	266,300	266,300	514,890	279,403	266,300	
10.0001	Total	2,994,002	2,770,012	2,889,800	2,969,916	2,835,794	2,884,293	
Financing:								
Offsetting collections from:								
11.0001	Federal funds(-)	-388,651	-228,400	-228,400	-359,032	-228,400	-228,400	
13.0001	Trust funds(-)	-19,780	-37,900	-37,900	-18,761	-37,900	-37,900	
14.0001	Non-Federal sources(-)	-6,063			-6,006			
17.0001	Recovery of prior year obligations				-104,146			
21.4002	Unobligated balance available, start of year:							
21.4003	For completion of prior year budget plans	-94,690	-3,500		-653,077	-717,742	-651,960	
21.4009	Available to finance new budget plans	-32,872			-94,690	-3,500		
22.4001	Reprogramming from/to prior year budget plan	104,015			104,015			
24.4002	Unobligated balance transferred to other accounts				717,742	651,960	657,467	
24.4003	Unobligated balance available, end of year:	3,500			3,500			
25.0001	For completion of prior year budget plans	20,047			20,047			
	Available to finance subsequent year budget							
	Unobligated balance lapsing							
39.0001	Budget authority	2,579,508	2,500,212	2,623,500	2,579,508	2,500,212	2,623,500	
Budget authority:								
40.0001	Appropriation	2,602,800	2,708,399	2,623,500	2,602,800	2,708,399	2,623,500	
40.0004	Reduction pursuant to P.L. 100-463	-792			-792			
40.0005	Reduction pursuant to P.L. 101-165		-1,529			-1,529		
41.0001	Transferred to other accounts(-)	-22,500	-203,158		-22,500	-203,158		
41.2201	Transferred to other accounts (unob bal)		-3,500			-3,500		
43.0001	Appropriation (adjusted)	2,579,508	2,500,212	2,623,500	2,579,508	2,500,212	2,623,500	

Missile Procurement, Army
Program and Financing (in Thousands of dollars) SUMMARY

Identification code	21-2032-0-1-051	1989 actual	1990 est.	1991 est.
Relation of obligations to outlays:				
71.0001	Obligations incurred, net	2,586,117	2,569,494	2,617,993
72.4001	Obligated balance, start of year	4,217,032	3,963,393	4,258,787
74.4001	Obligated balance, end of year	-3,963,393	-4,258,787	-4,335,380
77.0001	Adjustments in expired accounts (net)	-26,808		
78.0001	Adjustments in unexpired accounts	-104,146		
90.0001	Outlays	2,708,802	2,274,100	2,541,400

Missile Procurement, Army
Object Classification. (In Thousands of dollars) SUMMARY

Identification code	21-2032-0-1-051	1989 actual	1990 est.	1991 est.
Direct obligations:				
Other services:				
125.004	Other	268,692	493,651	543,903
126.001	Supplies and materials	1,115,115	949,304	847,310
131.001	Equipment	1,073,219	1,113,436	1,226,780
199.001	Total Direct obligations	2,455,026	2,556,391	2,617,993
Reimbursable obligations:				
Other services:				
225.004	Other	55,933	52,349	52,349
226.001	Supplies and materials	233,871	108,979	95,876
231.001	Equipment	225,086	118,075	118,075
299.001	Total Reimbursable obligations	514,890	279,403	266,300
999.901	Total obligations	2,969,916	2,835,794	2,884,293

Missile Procurement, Army
Program and Financing (in thousands of dollars) FISCAL YEAR 1987

Identification code	21-2032-0-1-051	Budget plan (amounts for PROCUREMENT activities programmed)			Obligations	
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est. 1991 est.
Program by activities:						
Direct program:						
00.0101	Other missiles				73,358	
00.0201	Modification of missiles				26,826	
00.0301	Spares and repair parts				7,551	
00.0401	Support equipment and facilities				2,468	
00.9101	Total direct program				110,203	
01.0101	Reimbursable program				53,312	
10.0001	Total				163,515	
Financing:						
Offsetting collections from:						
11.0001	Federal funds(-)				15,051	
13.0001	Trust funds(-)				933	
14.0001	Non-Federal sources(-)				7	
17.0001	Recovery of prior year obligations				-55,900	
21.4002	Unobligated balance available, start of year:				-150,053	
21.4003	For completion of prior year budget plans				-81,490	
21.4009	Available to finance new budget plans					
22.4001	Reprogramming from/to prior year budget plan				87,890	
25.0001	Unobligated balance transferred to other acc				20,047	
39.0001	Unobligated balance lapsing					
	Budget authority					

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations	
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.
Program by activities:						
Direct program:						
00.0101	Other missiles				252,331	129,055
00.0201	Modification of missiles				30,786	23,043
00.0301	Spares and repair parts				16,481	4,131
00.0401	Support equipment and facilities				6,948	7,179
00.9101	Total direct program				306,546	163,408
01.0101	Reimbursable program				55,173	5,014
10.0001	Total				361,719	168,422
Financing:						
Offsetting collections from:						
11.0001	Federal funds(-)				14,568	
13.0001	Trust funds(-)				86	
14.0001	Non-Federal sources(-)				50	
17.0001	Recovery of prior year obligations				-48,246	
21.4002	Unobligated balance available, start of year:					
21.4003	For completion of prior year budget plans				-503,024	-168,422
21.4003	Available to finance new budget plans				-13,200	-3,500
22.4001	Reprogramming from/to prior year budget plan					
22.4001	Unobligated balance transferred to other acc					
22.4001	Unobligated balance available, end of year:				16,125	
24.4002	For completion of prior year budget plans				168,422	
24.4003	Available to finance subsequent year budget				3,500	
41.2201	Budget authority (Transferred to other accou					-3,500

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1989

Identification code	21-2032-O-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Other missiles	2,170,363			1,729,300	302,237	138,826
00.0201	Modification of missiles	169,934			115,448	36,730	17,756
00.0301	Spares and repair parts	211,152			174,995	14,299	21,858
00.0401	Support equipment and facilities	28,059			18,534	6,907	2,618
00.9101	Total direct program	2,579,508			2,038,277	360,173	181,058
01.0101	Reimbursable program	414,494			406,405	8,089	
10.0001	Total	2,994,002			2,444,682	368,262	181,058
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)	-388,651			-388,651		
13.0001	Trust funds(-)	-19,780			-19,780		
14.0001	Non-Federal sources(-)	-6,063			-6,063		
21.4002	Unobligated balance available, start of year: For completion of prior year budget plans					-549,320	-181,058
24.4002	Unobligated balance available, end of year: For completion of prior year budget plans				549,320	181,058	
39.0001	Budget authority	2,579,508			2,579,508		
Budget authority:							
40.0001	Appropriation	2,602,800			2,602,800		
40.0004	Reduction pursuant to P.L. 100-463	-792			-792		
41.0001	Transferred to other accounts(-)	-22,500			-22,500		
43.0001	Appropriation (adjusted)	2,579,508			2,579,508		

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1990

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROCUREMENT actions programed)			Obligations		
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Other missiles		2,158,064		1,752,953		275,097
00.0201	Modification of missiles		140,341		114,553		13,126
00.0301	Spares and repair parts		176,315		141,890		14,065
00.0401	Support equipment and facilities		28,992		23,414		2,413
00.9101	Total direct program		2,503,712		2,032,810		304,701
01.0101	Reimbursable program		266,300		266,300		
10.0001	Total		2,770,012		2,299,110		304,701
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)		-228,400		-228,400		
13.0001	Trust funds(-)		-37,900		-37,900		
21.4002	Unobligated balance available, start of year: For completion of prior year budget plans						-470,902
24.4002	Unobligated balance available, end of year: For completion of prior year budget plans				470,902		166,201
39.0001	Budget authority		2,503,712		2,503,712		
Budget authority:							
40.0001	Appropriation		2,708,399		2,708,399		
40.0005	Reduction pursuant to P.L. 101-165		-1,529		-1,529		
41.0001	Transferred to other accounts(-)		-203,158		-203,158		
43.0001	Appropriation (adjusted)		2,503,712		2,503,712		

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1991

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROCUREMENT actions programed)			Obligations		
		1989 actual	1990 est.	1991 est.	1989 actual	1990 est.	1991 est.
Program by activities:							
Direct program:							
00.0101	Other missiles		2,463,609			2,002,048	
00.0201	Modification of missiles		135,374			110,360	
00.0401	Support equipment and facilities		24,517			19,826	
00.9101	Total direct program		2,623,500			2,132,234	
01.0101	Reimbursable program		266,300			266,300	
10.0001	Total		2,889,800			2,398,534	
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)		-228,400			-228,400	
13.0001	Trust funds(-)		-37,900			-37,900	
24.4002	Unobligated balance available, end of year: For completion of prior year budget plans					491,266	
40.0001	Budget authority (Appropriation)		2,623,500			2,623,500	

MISSILE PROCUREMENT, ARMY

Section 2

Budget Activity Justification

Activity 2 - Other Missiles

Activity 3 - Modification of Missiles

Activity 4 - Spares and Repair Parts

Activity 5 - Support Equipment and Facilities

Department of the Army Annual Budget Estimates JUSTIFICATION		Appropriation Missile Procurement, Army		FY 1991 Budget
Program or Budget Project Account		(Thousands of Dollars)		
Activity 2 - Other Missiles		Actual FY 1989	Estimate FY 1990	Estimate FY 1991
Direct Budget Plan		\$2,170,363	\$2,158,064	\$2,463,609

Section 1 - PURPOSE AND SCOPE

Provides for procurement of surface-to-air, antitank assault, surface-to-surface and air-to-surface missile systems; related ground support equipment; and initial issue and replacement of losses consumed in reliability firings, crew proficiency firings, and other training activities.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

CHAPARRAL Missile System (P-1 Line Item No. 1)

	(\$ in Thousands)
FY 1990	FY 1991
\$25,356	\$-0-

\$25.4 million was appropriated in FY 1990 for procurement of 422 Rosette Scan Seeker (RSS) missiles to upgrade CHAPARRAL Missiles with Infrared Counter-Counter Measures capability. FY 1990 is the last year of CHAPARRAL production.

Air Defense System-Heavy (P-1 Line Item No. 2)

(\$ in Thousands)	
FY 1990	FY 1991
\$167,176	\$235,584

\$235.6 million is requested in FY 1991 for the procurement of 220 missiles and 13 Line of Sight Forward Heavy fire units. Line of Sight Forward-Heavy is a component of the Forward Area Air Defense System designed to counter the line of sight fixed wing and helicopter threat to forces in Heavy Divisions (Armored and Mechanized Infantry).

Air Defense System-Heavy, Advance Procurement (P-1 Line Item No. 3)

(\$ in Thousands)	
FY 1990	FY 1991
\$31,700	\$36,200

\$36.2 million is requested in FY 1991 to procure long leadtime items, such as radar assemblies, electro-optical components, missile guidance controls and operation display units, for production of the Air Defense System-Heavy.

HAWK Missile System (P-1 Line Item No. 4)

(\$ in Thousands)	
FY 1990	FY 1991
\$13,358	\$-0-

\$13.4 million is required in FY 1990 for costs associated with termination of the HAWK multiyear procurement contract.

Other Missile Support (P-1 Line Item No. 5)

(\$ in Thousands)	
FY 1990	FY 1991
\$983	\$4,850

\$4.9 million is requested in FY 1991 to procure replacement HAWK rocket motors and peculiar support equipment.

PATRIOT Missile System (MYP) (P-1 Line Item No. 6)

(\$ in Thousands)	
FY 1990	FY 1991
\$896,645	\$883,152

In FY 1991 \$883.2 million is requested for procurement of 817 missiles for the US, and completes the procurement of ground equipment for Italy under a Cooperative Air Defense agreement (10 Radars, 10 Engagement Control Stations and 2 Information Coordination Controls).

STINGER Missile System (P-1 Line Item No. 8)

(\$ in Thousands)	
FY 1990	FY 1991
\$114,748	\$252,428

\$252.4 million is requested in FY 1991 for 6,922 Stinger-RMP missiles. The Stinger is a manportable air defense missile system that provides self-defense to forward deployed, company size combat units. The Stinger missile is also employed on the AVENGER a component of the Forward Area Air Defense System (FAADS). Head-to-head competition between two Stinger missile producers began in FY 1990.

AVENGER (PED MT STINGER) (MYP) (P-1 Line Item No. 9)

(\$ in Thousands)	
FY 1990	FY 1991
\$114,133	\$97,391

\$97.4 million is requested in FY 1991 for 88 Pedestal Mounts for the Stinger Missile System. The AVENGER component of the Forward Area Air Defense System (FAADS), the Pedestal Mounted Stinger (PMS) consists of a launcher/carrier for eight ready to fire Stinger Missiles and a .50 caliber machine gun integrated with sensors and devices to provide day/night and adverse weather target detection, acquisition, tracking, target ranging, and identification friend or foe (IFF). Beginning in FY 1991, the Army plans to initiate a five year multiyear procurement contract for the PMS System.

AVENGER (PDD MT STINGER) (MYP) Advance Procurement (P-1 Line Item No. 10)

(\$ in Thousands)	
FY 1990	FY 1991
\$ -	\$25,700

\$25.7 million is requested in FY 1991 to procure advance materials in economic order quantities in support of the multiyear procurement of the Line of Sight-Rear Fire Unit.

Laser HELLFIRE System (P-1 Line Item No. 11)

(\$ in Thousands)	
FY 1990	FY 1991
\$98,879	\$123,279

\$123.3 million is requested in FY 1991 to procure 3,002 HELLFIRE missiles and associated equipment. The HELLFIRE missile system is designed to defeat the current and future armor threat at stand-off ranges. HELLFIRE is the primary armament of the AH-64 helicopter.

Advanced Antitank Weapon System-Medium (AAWS-M) Advance Procurement (P-1 Line Item No. 12)

(\$ in Thousands)	
FY 1990	FY 1991
\$ -0-	\$15,550

\$15.6 million is requested in FY 1991 to procure long lead items for low rate initial production of the Advanced Antitank Weapon System-Medium (AAWS-M).

TOW-2 Missile System (P-1 Line Item No. 13)

(\$ in Thousands)	
FY 1990	FY 1991
\$105,404	\$219,465

FY 1991 request of \$219.5 million will procure 13,284 TOW-2B missiles, including 3,000 missiles from the newly developed 2nd production source. The system is an upgrade of the basic TOW which was originally fielded in 1970. The TOW-2B is a further upgrade designed to defeat threat armor until the fielding of Advanced Antitank Weapons System-Heavy (AAWS-H).

Multiple Launch Rocket System (MLRS) (MYP) (P-1 Line Item No. 14)

(\$ in Thousands)	
FY 1990	FY 1991
\$432,737	\$313,915

\$313.9 million is requested to procure 24,000 rockets, 73 launchers, and associated ground support equipment in FY 1991. The MLRS is a free-flight rocket system with a dual purpose improved conventional munition warhead. Its mission is to neutralize or suppress enemy field artillery and air defense systems, and supplement cannon artillery.

Multiple Launch Rocket System (MLRS) (MYP) Advance Procurement
(P-1 Line Item No. 15)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$63,400</u>	<u>\$59,600</u>

\$59.6 million is requested in FY 1991 to procure advance materials in economic order quantities to support the multiyear procurement contract for MLRS production.

Army Tactical Missile System (ATACMS) (P-1 Line Item No. 16)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$85,945</u>	<u>\$168,678</u>

\$168.7 million is requested in FY 1991 for procurement of 318 missiles. The Army Tactical Missile System is an improved conventional semi-ballistic missile system designed to attack targets at ranges beyond the capabilities of existing cannons and rockets. ATACMS will be transported and launched from the Multiple Launch Rocket System (MLRS) launcher.

Army Tactical Missile System (ATACMS) Advance Procurement
(P-1 Line Item No. 17)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$7,600</u>	<u>\$18,500</u>

\$18.5 million is requested FY 1991 for the procurement of long leadtime for the Army Tactical Missile System.

Total Package Fielding (P-1 Line Item No. 18)
(P-1 Line Item No. 17)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$ -</u>	<u>\$9,317</u>

\$9.3 million is requested in FY 1991 for procurement of all equipment required to field a system to the U. S. Army, Army National Guard, or U. S Army Reserves.

Department of the Army	Appropriation	
Annual Budget Estimates	Missile Procurement, Army	FY 1991 Budget
JUSTIFICATION		

Program or Budget Project Account	(Thousands of Dollars)
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Actual	Estimate	Estimate
FY 1989	FY 1990	FY 1991

Activity 3 - Modification of
Missiles

Direct Budget Plan	\$169,934	\$140,341	\$135,374
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Section 1 - PURPOSE AND SCOPE

Provides for the modification of Surface-to-Air, Surface-to-Surface, and Antitank missile systems.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

PATRIOT Modifications (P-1 Line Item No. 19)

	(\$ in Thousands)
FY 1990	FY 1991
\$19,177	\$20,856

\$20.9 million is requested in FY 1991 for emplacement enhancements, digital link upgrades and the Modification Work Order (MAO) program.

HAWK Modifications (P-1 Line Item No. 21)

	(\$ in Thousands)
FY 1990	FY 1991
\$28,378	\$43,615

\$43.6 million is requested in FY 1991 for the fifth year production buy of Phase III modification kits to improve the HAWK missile capabilities. The Phase III modification will improve fire power, low altitude target engagement, and training capabilities of each fire unit, as well as reduce operator and maintenance workloads.

TOW Modifications (P-1 Line Item No. 22)

(\$ in Thousands)	
FY 1990	FY 1991
\$27,571	\$45,385

\$45.4 million is requested in FY 1991 to provide increased anti-armor capability. Improvements include retrofiting TOW 2 missiles to a more lethal warhead configuration, increasing performance against obscurants and electro-optical countermeasures, and modifying missiles to support training requirements.

MLRS Modifications (P-1 Line Item No. 26)

(\$ in Thousands)	
FY 1990	FY 1991
\$28,167	\$17,468

\$17.5 million is requested in FY 1991 to fund procurement of kits to modify MLRS launchers to make them capable of launching the Deep Battle family of improved munitions (ATACMS, SADARM and MLRS-TGW).

Tractor Rig (P-1 Line Item No. 27)

(\$ in Thousands)	
FY 1990	FY 1991
\$2,578	\$8,050

This is a classified program. Details to be provided separately.

Depot Modification Application (P-1 Line Item No. 28)

(\$ in Thousands)	
FY 1990	FY 1991
\$34,470	\$-0-

\$34.5 million was appropriated in FY 1990 for depot modification application for Army missiles. Starting in FY 1991 the cost of modification and conversion will be budgeted for each system as directed by the congressional committees.

Department of the Army Annual Budget Estimates JUSTIFICATION	Appropriation	
	Missile Procurement, Army	FY 1991 Budget
<u>Program or Budget Project Account</u>		
	(Thousands of Dollars)	
Activity 4 - Spares and Repair Parts	Actual FY 1989	Estimate FY 1990
		Estimate FY 1991
Direct Budget Plan	\$211,152	\$176,315 \$ -0-

Section 1 - PURPOSE AND SCOPE

Provides for the procurement of initial provisioning, peacetime replenishment, and mobilization reserve of repairable major assemblies and repair parts for surface-to-air, air-to-surface, surface-to-surface, and antitank missile systems and support items.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

Required for the procurement of initial provisioning, peacetime replenishment, and mobilization reserve requirements of centrally managed, high dollar value depot repairable missile system components, assemblies, and repair parts which are not carried in Army stock fund inventories.

Spares and Repair Parts(P-1 Line Item No. 29)

	(\$ in Thousands)
FY 1990	FY 1991
\$176,315	\$ -0-

\$176.3 million was appropriated in FY 1990 for Initial and Replenishment Spares to support major item procurement. Starting in FY 1991 the funding associated with Initial and Replenishment Spares was transferred to the Army Stock Fund.

Department of the Army
Annual Budget Estimates
JUSTIFICATION

Appropriation

Missile Procurement, Army FY 1991 Budget

Program or Budget Project Account

(Thousands of Dollars)

Actual FY 1989	Estimate FY 1990	Estimate FY 1991

Activity 5 - Support Equipment &
Facilities

\$28,059	\$28,992	\$24,517
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Direct Budget Plan

Section 1 - PURPOSE AND SCOPE

Provides for the procurement of support equipment, miscellaneous items less than \$2.0 million and Production Base Support for Army missile systems.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

Air Defense Targets (P-1 Line Item No. 30)

	(\$ in Thousands)
FY 1990	
<u>\$16,391</u>	FY 1991
	<u>\$12,503</u>

\$12.5 million is requested in FY 1991 for procurement of air defense targets, towed targets and ground support systems. This program provides targets for training of air defense personnel.

Items Less Than \$2.0 Million (P-1 Line Item No. 31)

	(\$ in Thousands)
FY 1990	
<u>\$2,142</u>	FY 1991
	<u>\$3,627</u>

\$3.6 million is requested FY 1991 for procurement of tools and test sets to support missile system maintenance and repair.

Production Base Support (P-1 Line Item No. 32)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$10,459</u>	<u>\$8,387</u>

\$8.4 million is requested in FY 1991 for production base support for missiles and air defense. This request includes funding for new and replacement equipment at White Sands Missile Range and rehabilitation/replacement of facilities at Government Owned/Contractor Operated plants.

MISSILE PROCUREMENT, ARMY

Section 3

Comparison of Programing Requirements and Financing

Comparison of FY 1990 program requirements as reflected in the FY 1990/1991 Amended Budget with FY 1990 program requirements as shown in the FY 1991 Budget Estimate.

Comparison of FY 1990 financing as reflected in the FY 1990/1991 Amended Budget with FY 1990 financing as shown in the FY 1991 Budget Estimate.

Comparison of FY 1989 program requirements as reflected in the FY 1990/1991 Amended Budget with FY 1989 program requirements as shown in the FY 1991 Budget Estimate.

Comparison of FY 1989 financing as reflected in the FY 1990/1991 Amended Budget with FY 1989 financing as shown in the FY 1991 Budget Estimate.

COMPARISON OF FY 1990 PROGRAM REQUIREMENTS
AS REFLECTED IN THE FY 1990/1991 AMENDED BUDGET
WITH THE FY 1990 PROGRAM REQUIREMENTS AS SHOWN
IN THE FY 1991 BUDGET ESTIMATE
SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation	Program Requirements Per FY 1990/1991 Amended Budget Estimate	Program Requirements Per FY 1991 Budget Estimate	Increase (+) or Decrease (-)
Missile Procurement, Army			
Activity 2 - Other Missiles	2,270,652	2,158,064	-112,588
Activity 3 - Modification of Missiles	107,337	140,341	+33,004
Activity 4 - Spares and Repair Parts	247,514	176,315	-71,199
Activity 5 - Support Equipment and Facilities	36,097	28,992	-7,105
TOTAL	2,661,600	2,503,712	-157,888

EXPLANATION BY BUDGET ACTIVITY

Activity 2 - Other Missiles - The net decrease results from Congressional adjustments to ADS HVY MSL SYSTEM (\$-68,871), Patriot (\$-12,600), Laser Hellfire System (\$-35,000), MLRS (\$+128,800), general reductions for consultants/contractor travel (\$-1,529), transfer for Coast Guard (\$-35,388), and reprogramings for OSD Drug Interdiction Program (\$-22,500), Military Personnel Army (\$-42,000) and Real Property Maintenance (\$-13,500).

Activity 3 - Modification of Missiles - The net increase results from Congressional adjustments to Installation of Modernization Equipment (\$+34,470) and transfer to the Coast Guard (\$-1,466).

Activity 4 - Spares and Repair Parts - The decrease results from the transfer to the Coast Guard (\$-20,499) and Army reprogramming for Military Personnel (\$-50,700).

Activity 5 - Support Equipment and Facilities - The decrease results from transfer to the Coast Guard (\$-7,105).

COMPARISON OF FY 1990 FINANCING AS REFLECTED
IN THE FY 1990/1991 AMENDED BUDGET WITH FY 1990 FINANCING
AS SHOWN IN FY 1991 BUDGET ESTIMATE

(In Thousands of Dollars)				
Appropriation	FY 1990 Financing Per FY 1990/1991 Amended Budget	FY 1990 Financing Per FY 1991 Budget Estimate	FY 1990 Increase (+) or Decrease (-)	
Missile Procurement, Army				
Program Requirements (Total)	2,943,200	2,770,012	-173,188	
Program Requirements (Service Account)	(2,661,600)	(2,503,712)	(-157,888)	
Program Requirements (Reimbursable)	(281,600)	(266,300)	(-15,300)	
Less:				
Anticipated reimbursements	-281,600	-266,300	+15,300	
Unobligated balance available to finance new budget plans		-3,500	-3,500	

BUDGET AUTHORITY

Appropriation

2,661,600 2,500,212

-161,388

EXPLANATION:

The reimbursable program (offsetting collections) decreased by \$15,300 because orders were less than originally anticipated.

The unobligated balance available to finance new budget plans resulted from a transfer of FY 1988 for Humanitarian Aid.

COMPARISON OF FY 1989 PROGRAM REQUIREMENTS
AS REFLECTED IN THE FY 1990/1991 AMENDED BUDGET
WITH THE FY 1989 PROGRAM REQUIREMENTS AS SHOWN
IN THE FY 1991 BUDGET ESTIMATE
SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation Aircraft Procurement, Army	Program Requirements Per FY 1990/1991 Amended Budget	Program Requirements Per FY 1991 Budget Estimate	Increase (+) or Decrease (-)
Activity 2 - Other Missiles	2,157,075	2,170,363	+13,288
Activity 3 - Modification of Missiles	177,472	169,934	-7,538
Activity 4 - Spares and Repair Parts	224,402	211,152	-13,250
Activity 5 - Support Equipment and Facilities	33,059	28,059	-5,000
TOTAL	2,592,008	2,579,508	-12,500

EXPLANATION BY BUDGET ACTIVITY

Activity 2 - Other Missiles - The net increase resulted from Army reprogramming for CHAMPUS (\$-1,000) and below-threshold reprogrammings (\$+14,288).

Activity 3 - Modification of Missiles - The net decrease resulted from below-threshold reprogrammings (\$-7,538).

Activity 4 - Spares and Repair Parts - The net decrease resulted from Army reprogramming to Operation and Maintenance, Army (\$-6,500) and below-threshold reprogrammings (\$-6,750).

Activity 5 - Support Equipment and Facilities - The decrease resulted from Army reprogrammings to Operation and Maintenance, Army (\$-5,000).

COMPARISON OF FY 1989 FINANCING AS REFLECTED
IN THE FY 1990/1991 AMENDED BUDGET WITH FY 1989 FINANCING
AS SHOWN IN FY 1991 BUDGET ESTIMATE

	(In Thousands of Dollars)			
	FY 1989 Financing Per FY 1990/1991 Amended Budget	FY 1989 Financing Per FY 1991 Budget Estimate	FY 1989 Increase (+) or Decrease (-)	
Appropriation				
Missile Procurement, Army				
Program Requirements (Total)	3,158,608	2,994,002	-164,606	
Program Requirements (Service Account)	(2,592,008)	(2,579,508)	(-12,500)	
Program Requirements (Reimbursable)	(566,600)	(414,494)	(-152,106)	
Less:				
Anticipated reimbursements	-566,600	-414,494	152,106	
Unobligated balance available to finance new budget plans	-94,690	-94,690	0	
Reprogramming from/to prior year budget plans		-32,872	-32,872	
Add:				
Unobligated balance transferred to other accounts	94,690	104,015	+9,325	
Unobligated balance available to finance subsequent year budget plans		3,500	+3,500	
Unobligated balance lapsing		20,047	+20,047	

BUDGET AUTHORITY

Appropriation

2,592,008 2,579,508 -12,500

EXPLANATION:

The reimbursable program (offsetting collections) decreased by \$152,106 because orders from Foreign Military Sales were less than anticipated.

The reprogramming to/from prior year budget plans was adjusted: Transfers for FY 1987 (\$-6,400), FY 1988 (\$-6,425), and unobligated balance lapsing (\$-20,047).

The unobligated balance transferred to other accounts resulted from FY 1987 (\$+6,400) and FY 1988 (\$+2,925) United Nations Peacekeeping Transfers.

The unobligated balance available to finance subsequent year budget plans resulted from from a transfer of FY 1988 funds for Humanitarian Aid (\$3,500).